



**Corporate Human Resource Information Systems  
(CHRIS) Program  
Fiscal Year 2008-2012 Plan**

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# **Corporate Human Resources Information Systems (CHRIS) Fiscal Year 2008-2012 Plan**

## **I. Executive Summary**

The Corporate Human Resource Information Systems (CHRIS) Program encompasses a portfolio of systems that supports human capital management and information for all Department of Energy (DOE) Federal employees. CHRIS serves as the official system of record. CHRIS PeopleSoft, one of the core CHRIS subsystems, started operations in FY 1998 and was incorporated as the first operational system under the i-MANAGE Initiative for corporate business systems modernization. Overall, the CHRIS Program continues to be well managed and delivers increasing amounts of value added services each year without increasing the per capita tax paid by each program office.

From a government-wide perspective, DOE will continue to integrate its internal efforts with the on-going Human Resource Line of Business (HR LOB) initiative led by the Office of Personnel Management (OPM). Under DOE's vision, the major shift in emphasis over the next five years will be to complete the transition from a paper-based set of work processes to web-enabled processes and to increase focus on the use of analytical capabilities in the system to support strategic alignment with the mission and strategic management of human capital. There will also be greater emphasis on developing key competencies and recruiting and developing the right people with the right skills to support the department's mission. The Human Capital (HC aka Human Resource or HR) community will become strategic internal consultants to other DOE program leaders to help them fulfill the mission of the Department.

This five-year plan for CHRIS is developed to document efforts to promote sound business practices and management of businesses funded by the Department of Energy Working Capital Fund (WCF). The WCF is one of the primary funding sources for the CHRIS Program's IT Portfolio. The plan has been developed based on best practices, actual operating experiences, and extensive deliberations among the community of practice and informed by prior plans of this business, oversight agencies and federal consortiums for strategic human capital management. Performance is measured using metrics that support the President's Management Agenda (PMA) and its goal of strategic management of human capital resources and expansion of e-government. Financial performance is analyzed based on the Department's accounting system data. In addition, the WCF provides additional oversight and analysis on the cost effectiveness of each business line and provides annual reports to Congress on their portfolio and its performance.

The CHRIS Program plans a level pricing policy for FY 2010. See Appendix B. The policy has not changed since FY 2002.

## **II. Background:**

CHRIS was the first operational system incorporated under the i-MANAGE Initiative for corporate business systems modernization (formerly known as BMIS). The Corporate Human Resource Information Systems (CHRIS) Program encompasses the systems that support human capital management and information for all Department of Energy (DOE) Federal employees and serves as the official system of record. CHRIS became operational in FY 1998 to insure that a state-of the art system would be in place for human resource processing and information access prior to the Year 2000 rollover.

CHRIS is an integral part of the DOE's business management information modernization known as i-MANAGE. The CHRIS project has been expanded over the years to include an integrated

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approach to meet human resource, training administration and information processing; Employee Self Service (ESS) capabilities through a web portal; an automated on-line vacancy application system using Monster Government Solutions' Hiring Management web services, a data repository with web access known as DOEInfo, an automated performance management system pilot and on-line paperless transaction requests and approvals with electronic signatures known as "workflow".

### **III. Mission, Goals and Integration with Policy and Strategic Plans:**

The CHRIS Program mission is to provide the highest quality Human Capital Management information and services to executives, managers, and employees to enable effective and timely strategic management of the department's human capital in support of the overall DOE national security mission. CHRIS supports the vision of the DOE Chief Human Capital Officer (CHCO) and is part of the integrated i-MANAGE vision that enables DOE to be strategically managed. CHRIS also supports the e-government initiative and the Presidential Management Agenda for strategic human capital management including the Human Resource Line of Business (HR LOB). The CHRIS Program is aligned with the DOE Strategic Plan Goal to enhance management efficiency.

#### **Major Objectives:**

- deliver consistent and reliable operations of the departmental human capital system of record;
- enhance operational efficiencies to cut costs and improve productivity;
- reduce paperwork;
- identify and help eliminate redundant information systems;
- eliminate non-value added work; and,
- provide timely, high quality information necessary to make sound human capital (HC) decisions that support the overall mission.

#### **Benefits to the agency:**

- provides decision support capability for timely decisions related to strategic management of human capital;
- provides direct access to human capital information for DOE managers and employees to improve customer service and reduce costs;
- maintains HC information in a centralized location;
- enables a corporate approach to reengineering HC processes;
- reduces turnaround time in completing personnel, benefits and payroll transactions; and,
- facilitates a paperless working environment for the core human resource systems and facilities.

### **IV. Major Accomplishments in FY 2007:**

Some of the major accomplishments in FY 2007 include the following:

- provided the information and customer support for accurate bi-weekly pay, bonuses and awards for all DOE Federal employees;
- completed phase I and initiated phase II of the electronic official personnel folder application (e-OPF);

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- completed the requirements definition and design of the pay banding demonstration project for NNSA;
- completed major revisions to the PMCDP competency and certification application in ESS for the critical core competency of project managers;
- completed the design and implementation of the data transfer to the Federal Acquisition Institute ACMIS application that is used government-wide for the critical competency of acquisition officials;
- provided official HC data for the HSPD-12 badging process for the OCIO;
- sponsored the clean up of the STARS vendor table to eliminate duplicates and other erroneous information remaining from the financial consolidation;
- designed and implemented the successful SES Talent Database in ESS to support the Secretary's Office (full text searchable);
- completed the design and implementation of both the HC and Training modifications to support the government-wide transition from CPDF files to EHRI files with new data elements for OPM;
- completed the required annual cyber security review, and two disaster recovery tests;
- completed an ePerformance Management pilot phase for NNSA;
- completed the annual revisions to the Financial Disclosure and Reporting application tracking for GC;
- completed two major phases of enhancements to the CHRIS PeopleSoft system and supporting hardware upgrades to improve the performance of the HC, Benefits and Training Administration functions; and,
- completed support for the implementation of the ETS (MEO for training administration).

### **V. Introduction:**

The CHRIS Portfolio of Systems is the Department of Energy's official personnel and training system of record that serves approximately 10,500 executives, managers and employees as well as approximately 20 human capital offices nation-wide. Data from the CHRIS Systems is used to provide mandated reports to the Office of Personnel Management (OPM) and Office of Management and Budget (OMB). CHRIS provides integrated human capital information functions for such areas as human capital and training administration, position management, and individual performance management. Personnel data from CHRIS is used for payroll and for financial, budget and resource reporting and planning. The Employee Self Service (ESS) portion of CHRIS provides all DOE employees access to their personal, personnel, and training information and allows them to update much of that information. Automated recruitment functions (Hiring Management from Monster Government Solutions) and a data repository (DOEInfo) are also part of the CHRIS project.

The major emphasis over the next five years will be to support the government-wide Human Resource Line of Business (HR LOB) and to complete the transition from a paper-based set of work processes to the web-enabled processes, to increase integration of the various CHRIS subsystems and to increase focus on the use of analytical capabilities in the system to support strategic alignment with the mission and strategic management of human capital. Other emphasis areas include expanding competencies and either recruiting or training the right people with the right skills to support the mission. We also plan to integrate CHRIS data with the i-MANAGE Integrated Data Warehouse (IDW) to support the Executive Dashboard to provide executive decision support.

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### **VI. Planning Process:**

This Five-year Plan exists within a hierarchy of departmental strategic and budget planning processes that are dynamic. CHRIS is part of the overall i-MANAGE initiative, was one of the original DOE IDEA initiatives, and is compliant with the Department's Enterprise Architecture. It supports the President's Management Agenda goal for Strategic Human Capital Management, e-Government initiatives and the Department's Strategic Plan. It also supports the Chief Human Capital Officer's (CHCO's) HR Strategic Plan.

The plan was developed using best practices, actual operating experiences, and extensive deliberations among the community of practice and informed by prior plans of this business, oversight agencies and federal consortiums for strategic human capital management.

### **VII. Environmental and competitor analysis:**

This section discusses the trends we perceive in our environment and then shifts to an overview of alternatives for how best to deliver the desired functions, information and services.

Within the work environment, there are multiple, dynamic trends that shape the work environment and related decisions. For example, we see the seeds of the future workforce and emerging forces that impact that workforce. We see pressure for flatter, less hierarchical organizations with frequent continuing reorganizations. We see continued pressures for downsizing, more efficient operations, and reengineering of work processes. We see increasing amounts of project work meaning teams and taskforces are formed for projects and members are recruited from throughout the organization or are industry/government joint efforts or cross-governmental. Teams form quickly, do their work, then dissolve and members join other projects. We see continued challenges in recruiting and retaining new employees beyond 5 years because of market place realities so additional focus is needed in recruiting midlevel and senior employees that come and serve for 2, 3, or 4 years then go back to academia, state or local government, non-governmental organizations or private industry.

In addition to these challenges, DOE will also continue to face challenges associated with recruitment of highly qualified entry level employees. We see increased use of telecommuting for at least 1 day a week and use of virtual team methodologies because of the challenges and costs of travel and the desire to reduce pollution and congestion on the highways. We see trends of increasing cultural diversity of the workforce. All DOE employees are attracted to growing quality of life factors and a more family friendly work environment in the Department. We see more employees wanting to move into and out of government at different stages of their careers and perhaps shifting to two or three days a week for several years either at the end of their careers or around other significant events such as birth of a child or the need to provide care for aging parents as part of the "sandwich" generation. We see new critical skills emerging such as executive skills in forming teams with the right skill mix, managing a blended workforce, coaching, turning around teams in trouble, performance based contracting, formal project management as well as new types of technical skills in different academic disciplines to name a few. We see the mix of employees shifting away from being mostly full-time career Federal employees to more part-time, temporary and greater use of various contractors. Employees will enter and leave government at different stages of the careers and may do it multiple times. Generational challenges may also emerge as baby boomers accelerate their retirements. Younger workers may make greater use of Web 2.0

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technologies such as wikis, social networking web sites, blogs, chat and instant messaging technologies as opposed to memoranda, telephone calls and e-mails.

To visualize the types of employees and their relationships in DOE of the future, think of a bulls eye with a small core of key employees that carry the DNA of the organization (procedures, corporate memory, values, etc) surrounded by concentric rings of other types of workers less responsible for the long-term growth and health of an organization yet still contributing to changing mission needs. Those outer rings can include contractors, temporary, part-time workers and alumni. We see more use of strategic alliances and partnerships not just with industry, but also with non-profits and customer groups.

Because of these changing patterns of work and demographics, systems will need to track more than just employees, we will need to track individuals like contractors and job applicants and people who move in and out of the workforce over time.

The CHRIS Program Management Office (PMO) and the DOE community of practice continue to monitor the evolution of Federalized Enterprise Resource Planning (ERP) integrated software packages, home grown legacy systems, commercial and government off-the-shelf (COTS/GOTS) applications as well as opportunities for cross-servicing and outsourcing as alternatives for providing information and services. The human capital and training functions are part of the FAIR inventory of Federal positions that might be subject to competitive sourcing activity. The Training administration organization known as ETS has implemented their Most Efficient Organization (MEO) and continues to rely on the functionality of CHRIS Training workflow to support their efforts and meet their performance goals.

Our choice of the Oracle PeopleSoft ERP software package gives us a proven, integrated COTS system that is regarded as the world leader for human capital management. We have integrated Oracle PeopleSoft with other best of breed software to provide high levels of service and customer satisfaction for the DOE community.

### **VIII. External regulation, partnerships, and government-wide efforts:**

DOE is bound by the same laws and regulations as most other Federal departments and agencies for human resource and training. See Appendix C.

Through the various government-wide e-government projects, DOE is a partner on various initiatives such as HR LOB, Recruitment Modernization, the electronic official personnel folder (eOPF), USAJobs automated recruitment and the e-Training initiative.

### **IX. Resources and capabilities of the organization:**

The Project staff is very lean and has no bench strength either on the contractor or Federal side so even the loss of one position causes work to be deferred. This situation has been documented most recently (March 2008) in an independent review of the life cycle capabilities supporting the CHRIS Program and has been reported to HC Management where various alternative solutions or mitigation strategies are under discussion. This lean position also means there is a limited capability to add new projects or to deal with unexpected problems without delaying existing workloads. Any one time funding from customers allows hiring of additional contractor programmers for special projects. To partially mitigate this risk of loss of key personnel, team

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members are cross-trained as much as possible and procedures are well documented to help new team members reach full efficiency quickly. The actual hardware and software, just like with other organization-wide systems, need continuous improvements to enhance the system or else they become obsolete. The next major upgrade in functionality to either PeopleSoft 8.9, 9.X or the Oracle Fusion product may require additional contractor resources to support the peak workload requirements during design and testing. The alternative would be to defer further major upgrades until the migration to a shared service provider (public or private) and that decision has not yet been made. Those upgrades should be funded by the CMIP funds outside of the Working Capital Fund but may end up being an unfunded mandate from OMB. Fortunately, a recent (March 2008) analysis by an independent contractor found that our CHRIS IT Infrastructure (hardware and software) could continue to meet mission support requirements for 3-5 years so there is no technical reason to migrate in the next few years.

The other major resource conflict is one of competing priorities for our end-users/customers. They need to find the time in the middle of their daily work and crises to work with the CHRIS PMO to develop new functionality, testing, and to learn new functionality. Many end-users/customers are distracted by the accelerated period of change associated with their program reorganizations. It is often hard to get their attention for CHRIS related issues during those periods. There is also a larger, unresolved question about the cumulative impact on end-users from the multiple system modernizations and the pace of change in the department (STARS, T&A, eTravel, Procurement Modernization (STRIPES) and other i-MANAGE initiatives). Many line managers and their support staffs, particularly in the smaller staff or program offices, report feeling overwhelmed by the number of new systems as the administrative side of the department streamlines under various government-wide or DOE-wide initiatives and budget pressures. A key mitigating strategy is to provide just in time training or provide access to self-paced on-line training for end users. The CHRIS Program is expanding its offerings in these areas.

In terms of governance, a formal project management structure for CHRIS provides corporate oversight. CHRIS IT investments are controlled by the DOE IT Capital Assets Investment procedures and are also fall under the i-MANAGE governance structure. The project has a Project Manager from CF-40 who authorizes all expenditures from the approved budgets from both Corporate Management Improvement Program (CMIP) and WCF and provides overall IT project management leadership. The funding for the Federal staff both in HQ and Morgantown are managed by their respective Office Directors. This project is heavily matrixed with members from Corporate Information Systems (CF-40), OCIO, HC-25, NETL and Office Points of Contact throughout the complex along with support contractors in Germantown and Forrestal. The CHRIS Program Manager in HC-25 serves as the day-to-day functional manager.

We monitor performance progress in several ways. A weekly teleconference with the CHRIS project team members monitors the progress of implementation, development and maintenance tasks against project schedule milestones and deliverables as defined in the detailed CHRIS Project Plan and the approved spending plans for appropriated funds and the contractual scope of contracts. Consequently, any problems or risks are identified early and mitigation strategies can be developed in a timely manner. In addition, due to the maturation of the CHRIS core system, the operations and maintenance costs of CHRIS are covered by the Department's Working Capital Fund with its own performance measures and reporting requirements to the WCF Board. This provides an additional measure of oversight by senior managers in the Department. The actual budget

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implementation is reviewed monthly by the CHRIS Project Manager and other key team members based on the formal IDW reports from the financial system of record.

Regular management briefings focus on the status of project cost, scope, schedule, risks and quality of work products. There are monthly reviews by the i-MANAGE PMO, and quarterly reports to the OCIO to support their oversight roles and responsibilities. The nature of the work is that often unforeseen initiatives develop in response to changes in priorities at OMB, OPM or by DOE leadership. This critical aspect of the program with its associated policy compliance goals differentiates it from many of the other WCF Business Lines that are more traditional, internally oriented and simpler even if they may involve more funding (i.e. facilities). The project also has a full set of performance measures for evaluation of progress and fulfillment of goals in support of the strategic plan and Administration initiatives. The cumulative weight of information about the project's performance under the plan gives us confidence that it is headed in the right direction and continues to make progress. CHRIS uses formal customer satisfaction surveys accessible over the web, as an additional input to assess performance. These surveys supplement the current feedback mechanisms from customers and other stakeholders.

### **X. Needs and capabilities of customers and suppliers:**

The various formal and informal communication channels with customers allow a constant flow of information about needs of customers to come to the CHRIS Project Management Office's attention. This includes the WCF Business Line Fair, annual HC Forum, conference calls, out reach visits and other briefings, monitoring of the patterns in help line calls or e-mails, submissions to the electronic suggestion box and the customer satisfaction survey on ESS as well as more informal communications over lunch, in car pools and in the hall ways. Each year, the project staff and points of contact in the community evaluate and assess the following:

- Proposed changes to functionality and look and feel of the systems
- System changes needed because of new legislation, regulations or executive orders
- Hardware, software and system configuration changes needed due to anticipated PeopleSoft changes and upgrades or similar changes in other software
- Equipment and service levels needed for the new features and functions
- New procedural or agency requirements such as for cybersecurity.

DOE Federal employees have access to CHRIS Systems including PeopleSoft, Employee Self-Service, DOEInfo and Hiring Management from their desktop computers and can operate the computer, browser and mouse or other navigation tools to use the system effectively. Remote access is also supported using the OCIO's procedures and policies. The CHRIS applications rely on DOE infrastructure such as DOENet, local LANs and desktop computer capabilities.

Our major contractors and suppliers of software and hardware include DOE as one of their many customers. There is no capacity problem with the suppliers.

### **XI. Future competitive advantages:**

The main competitive advantages for DOE's CHRIS Project are its disciplined and documented change management process, strong support contractors and early problem detection procedures within a culture of empowered problem solvers. The Project Team has completed incorporation of



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results of a self-assessment analysis to fine tune the software development processes and to make them repeatable. These changes reduce the potential for rework and bugs in the system. In addition, there are major competitive advantages in the high level of DOE domain specific knowledge retained by the DOE Federal employees and their commitment to the departmental mission. The team members are functional experts and understand their role in the team and the alignment of their role with the overall mission. There is a high level of trust and esprit de corps within this high performing team. Recently (March 2008) the team demonstrated its high level of effective teamwork by delivering a high quality set of system changes to enable the NNSA Pay Banding Demonstration Project to go into production.

In addition, the CHRIS Project benefits from the use of talented programmers, database experts and other technical expertise through a NETL IT Support Contract based in Morgantown, West Virginia. In a 2004 Benefit-Cost Analysis, this contract vehicle provided the necessary support services at a substantial savings in labor and benefits compared to the DC area market.

### **XII. General strategy:**

The general strategy is to continue the improvement efforts on the existing systems from an operational point of view, identify additional opportunities for integration under the i-MANAGE initiative and complete the shift to more analytical capabilities to support strategic management of human capital. See Appendix A for more details about major milestones. DOE is participating in the design and evolution of the government-wide HR LOB initiatives and is evaluating feasibility, costs and maturing functionality of various alternatives as part of on-going strategic program planning and budget processes.

### **XIII. Performance Metrics:**

In support of the President's Management Agenda goal for strategic management of human capital and the Departmental Strategic Plan, the CHRIS Project will:

1. Complete 85 % or more of Employee Self Service (ESS) enabled personnel transactions through ESS.
2. Manage the annual budget to not exceed the allocation.
3. Maintain an average customer satisfaction score of "3.0" or higher.
4. Meet all required OMB/OPM reporting milestones supporting the various e-government initiatives
5. Maintain system uptime during prime working hours at 99% or higher.

Note that there are other performance metrics supporting strategic human capital management that are reported by the CHCO outside of the CHRIS Project.

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## Appendix A: Major Milestones

**Major Trends:** Accelerate the shift toward more analytical functionality to support strategic objectives and decrease focus on transactions during the period FY 2008-2012. We also foresee a government-wide phased consolidation of human capital services similar to what has happened to payroll but not in the immediate future. In the near to mid term time horizon, there will be increased emphasis on skills assessment, competency management and performance management.

**Priorities:** The priorities and major themes below are recommended as the highest priority from a business point of view to support the President's Management Agenda strategic goal for human capital management and the Department's mission. The determination of the best ways to deliver these services is a different decision. See the discussion in the body of the plan.

The recommended priorities assume level funding for working capital fund (\$2.17 M) for operations and maintenance, base funding for the Pittsburgh Federal HC staff and for the HQ-based CHRIS Project staff (HC-25), and restoration of the historical level of CMIP funding for development in FY 2009 and FY 2010 if the decision is to proceed with the migration. The IT Project Manager and other matrixed Federal resources in OCIO, CF-40 and POCs in the Program and Staff offices are included in their program's respective base budgets and are not controlled by the CHRIS PMO. The CMIP funding ceased after FY 2006 so alternative sources of funding for mission-critical development activities will be required for significant transition activities. Without continued investment in enhanced functionality, the system will rapidly become obsolete just like other major systems and the ability to support the HR LOB migration will be jeopardized.

FY	Priorities		Comments
2008	<p>Complete transition to one fully integrated system under i-MANAGE</p> <p>Complete pay banding phases I and II</p> <p>Complete implementation of eOPF Phase 2 and 3</p> <p>Complete supporting studies related to HR LOB</p> <p>Continue operations and maintenance on all subsystems</p>		
2009	<p>Complete the decision process at the Dep. Sec. level about the transition to HR LOB</p> <p>Begin the transition to HR LOB if that is the decision</p> <p>Complete Retirement Modernization</p>		

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	Complete Phase 4 of the eOPF migration  Continue operations and maintenance on all subsystems		
2010	Continue transition to HR LOB if that is the decision  Continue operations and maintenance on all subsystems		
2011	Complete transition to HR LOB if that is the decision  Continue operations and maintenance on all subsystems		
2012	Continue operations and maintenance  Decommission legacy system if that is the decision		

### Appendix B: Cost Analysis

For FY 2008, the WCF portion of the overall CHRIS Program budget is \$2.17 Million. This total does not include any funding for Federal employees working on the project in Headquarters or NETL. It also does not include any funding for development activities since those come from the CMIP funding directed by the CIO or any carryover funds from prior years.

The WCF funds continue to be one of the critical sources of funding for the CHRIS Program. This Cost Analysis also does not address the extensive direct (tangible) and indirect (intangible) benefits from the current and historical investments in the CHRIS Portfolio. These politically significant benefits include keeping DOE in compliance with various laws, regulations, directives, and policy goals such as those captured in the various OMB and other score cards where we have and maintain a “Green” status.

The financial objectives for the CHRIS Project are to manage all funds in a cost-efficient manner and to stay within budget for the fiscal year. By that measure, the CHRIS Project was fully successful again in FY 2007. The buildup of uncoded balances in the early part of the 5 year plan is necessary to fund the scheduled 3-4 year upgrades for all database and web servers and the load balancing switches used to support the system in the various production, development, testing and backup instances in Morgantown and Germantown. Without such a build-up, the variable nature of the required pricing policy would be unacceptable to most customers to meet the peak funding requirements for keeping the system current and meeting customer needs. In collaboration with the Working Capital Fund staff, the CHRIS PMO staff continues to improve the use of reporting capabilities in the financial system to oversee program expenditures.

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### **Pricing Policy:**

CHRIS annual charges to WCF customers represent operating and maintenance costs for a fully operational, steady state, hybrid national system that is the official DOE system of record for human capital management. That means operations and maintenance as well as selected systems enhancements occur each year to improve value added services to customers and continue full policy compliance with OPM and Congressional changes. For example, the WCF portion of the budget includes funds for contractor support at NETL for the operations and maintenance of the system, software and hardware purchases and maintenance costs, backup support and disaster recovery services from the CIO, telecommunications costs, operation and maintenance of the Employee Self-Service information portal, disaster recovery support, and web site operations. The costs do not vary depending on the number of transactions in the system or usage rate by any one organization. Thus costs are fixed, not variable. The WCF funds do not cover any salary, benefits, training or travel costs for Federal employees since those costs are funded with base funding.

### **Pricing Method (Billing Calculation):**

CHRIS charges are based upon annual estimated operating costs for CHRIS operations approved by the WCF Board. Rates are structured to recover this amount based on a per capita (FTEs on board as of a certain date) algorithm. Customers are usually billed in the October WCF bill for the total annual costs unless there is a Continuing Resolution then an incremental approach is used. The rate is reviewed at least annually and adjusted as needed. The WCF Staff provide a quarterly review process to support the Board's oversight and related fiduciary responsibilities.

The policy and overall funding for the project from the WCF has remained stable for six years now and, based on information available today plus planning assumptions, we plan to keep it stable for the full FY 2008-12 timeframe as well at the \$2.17 M level for each year. If the policy needs to change, it will be synchronized with the WCF annual processes to give customers adequate advance notice for their own budget formulation processes.

The nature of the information and services provided by CHRIS is best addressed as a bundle rather than as individual, severable, items of service that are separately priced and at the discretion of customers since CHRIS is the official system of record for the department. As such, it differs from most of the other WCF Lines of Business in having a much greater focus on policy and goal compliance with the Administration's agenda. The main reason that such an activity based costing (ABC) approach is not appropriate is the internet style cost of the next increment of information. In addition, the cost to establish a separate system to price each feature or service under CHRIS such as an ABC approach would be both time consuming and unacceptably expensive when compared to the expected benefits.

The pricing for the information and services follows an internet model in that the incremental cost for an additional use is zero once the information or service is created. Consequently, the current approach of a single price per FTE on board as of a certain date is determined to be both fair and administratively efficient. We do not recommend a change. However, the costs for potential migration to the HR LOB and on-going operational costs are unknown at this time and represent a significant financial risk to the Department. This risk may lead to higher charges for CHRIS services both during the transition period, if that decision is made, and over the longer term based on similar transitions to other government-wide services.

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### Additional Cost Analysis Information

#### Key Business Segments

Contractor labor and benefits	\$1.46 M	.67
Travel and training	.05	.02
Hardware and maintenance	.14	.06
Software and maintenance	.38	.18
Communications and maintenance	.02	.01
Indirect costs	.12	.06
	=====	=====
	\$2.17 M	1.00 (rounded)

The largest segment is for contractor labor and benefits through various task order contracts with Monster Government Solutions, EES, and ProLogic. This represents two thirds (67 %) of the annual budget. The second largest segment (18 %) is software and maintenance which includes the PeopleSoft, Oracle database, and Monster Government Solutions' Hiring Management licenses and annual maintenance charges.

The CHRIS Program supports compliance with government-wide policies, laws, regulations, and other direction from OMB and OPM as well as internal DOE decisions. The primary linkage to Programs is through the managers and employees who use the CHRIS subsystems for various tasks ranging from (partial list) requesting leave, checking their earnings and leave statement, establishing emergency contacts, changing tax withholding or other personal information, developing and approving an Individual Development Plan, requesting training or human capital administration actions, administering the SES Talent Profile, the Financial Disclosure, or manage key competencies such as for acquisition officials, nuclear related technical qualifications and project managers. Basically the CHRIS systems support the employees through their career lifecycle from hiring to retirement.

The key competitive advantages of using the task order contracts with the OCIO and NETL are time and cost savings from administrative efficiencies by being part of larger contracts that are already competed and negotiated, and the lower labor rates in West Virginia compared to DC area prices.

Overhead is measured for the contractors through the indirect charges which are 5.5% of the annual WCF allocation which is low. The Federal overhead charges are the normal, site specific charges and since the Federal staff numbers are so lean, there no significant cost savings potential.

Current pricing policy is based on a per capita tax for the organization based on actual head count as of October 1 each fiscal year and not on usage.

The primary perspective of most customers is to get timely, accurate services from CHRIS and for the program to continue to do more with less by providing additional value added services without an increase in the annual tax. Customers also expect systems that stay compliant with changes in policy, laws, and regulations.

The cost trends reveal level nominal funding since FY 2002 in total dollars but this represents a cut in purchasing power each year of 3-4 % because of inflation. In addition, labor costs are increasing

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while technological innovations have caused hardware prices to decline. This decline in major hardware costs has provided program savings that have delayed the need to increase the pricing policy and partially compensated for increasing costs in other segments. Customers continue to benefit as we add more value added services in this environment without increasing the taxes. Since program priorities are set by processes that factor in policy compliance as well as customer needs, the main recommendation for potential cost or efficiency improvements for customers is for them to make use of workflow functionality mandatory within their organizations.

Some of the potential new business services over the next five years include expanding the SES Talent application to GS 13-15s, expanding pay banding to the rest of the department, expanding the e-Performance Management pilot, implementing the last phases of eOPF and Retirement Modernization, migrating to an upgraded version of PeopleSoft and adding more just in time training options.

No significant changes to the cost structure are anticipated for the five year plan other than those related to the one time costs to support migration to the HR LOB if that decision is made. Because of the nature of the work and the high level of current automation for all subsystems, no significant advantage is expected from further substitution of capital for labor. Options for outsourcing to an off shore provider are judged not appropriate for tasks that require extensive business knowledge of current policies, procedures, laws and regulations and for a core mission of the department. A planned cost benefit analysis will reveal if there are any real potential savings from the HR LOB shared service provider options separately from considerations of policy compliance.

### **Appendix C: OPM Guides and Information**

1. Title 5, United States Code (U.S.C.) and the Code of Federal Regulations – <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>
2. Guide to Personnel Data Standards – <http://www.opm.gov/feddata/gp55.pdf>
3. Guide to Personnel Record Keeping – <https://www.opm.gov/feddata/recguide.pdf>
4. Guide to Processing Personnel Actions – <http://www.opm.gov/feddata/gppa/gppa.htm>
5. Insurance Programs – <http://www.opm.gov/insure/index.html>
6. Job Classification Systems – <http://www.opm.gov/fedclass/index.htm>
7. Life Insurance – <http://www.opm.gov/insure/life/index.htm>
8. Pay and Leave and Work Schedules – <http://www.opm.gov/oca/index.htm>
9. Retirement Programs (CSRS & FERS) – <http://www.opm.gov/retire/index.htm>
10. Performance Management - <https://www.opm.gov/perform/>
11. Reduction in Force - [https://www.opm.gov/reduction\\_in\\_force/](https://www.opm.gov/reduction_in_force/)
12. Thrift Savings Plan (TSP) – <http://www.tsp.gov/>